

**DETERMINATION AND FINDINGS
FOR
SOLE SOURCE CONTRACT EXTENSION**

AGENCY: Department of Motor Vehicles (DMV)

CONTRACT NO.: POKV-2006-C-0064

CONTRACTOR: Conduent State & Local Solutions, Inc. (Conduent)

CAPTION: Ticket Processing

FINDINGS

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR Section 1304, 1700, 1701, 2008 and Section 2005.2(b)

2. MINIMUM NEED:

The District of Columbia, on behalf of the Department of Motor Vehicles has a need to continue services awarded under the Ticket Processing contract for the period of January 3, 2019 through January 2, 2020. These services are currently provided under contract number POKV-2006-C-0064.

3. ESTIMATED REASONABLE PRICE:

The estimated price of the contract is \$10,826,250.00.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

Ticket processing services are an essential function that enables the enforcement of the District's traffic laws and regulations through issuing tickets for moving and parking infractions. In total, over thirty public safety entities within the District that are required to enforce these law and regulations are supported by the services detailed in this contract. Failure to continue ticket processing services would impede the District's ability to enforce its traffic laws and regulations and have a significant impact on the District financial resources in lost revenue. The estimated annual revenue from collecting fines from tickets issued by the District and processed by Conduent will exceed \$160 million annually. The continuation of services under the current contract is in the best interest of the District.

The current contract period of performance expires on January 2, 2019. A sole source contract extension is needed to ensure continuity services. In determining whether to contract on a sole source basis, the contracting officer considered whether the costs is fair and reasonable, the proposed vendor is the only source of the required services, and the result of a market survey.

The estimated contract price of \$10,826,250.00 is deemed fair and reasonable. The estimated contract price has decreased by 9% in comparison to the current contract price of \$11,936,667.00. Price reasonableness was determined by using the District's historical pricing data paid for previous contracted services.

Conduent is the only source in the marketplace that has a comprehensive understanding of the District's existing ticket processing automated and manual systems. Additionally, over the course of the contract, Conduent has developed and modified several of the contracted program applications; specifically for the District and awarding a contract to another contractor would be complex and time-consuming. As a result, Conduent is the only source that can provide uninterrupted ticket processing services to the District. Conduent's performance under the contract has been satisfactory.

BACKGROUND:

Conduent has provided service to the District since 1985. In 2012, the Office of Contracting and Procurement (OCP) solicited a replacement contract, but no responsive bids were received. Since this time, Conduent has provided ticket processing services for the District without interruption. The District is moving forward with developing a new solicitation, and has implemented a phased plan for award of new contract. Under this phased approach, services underneath the existing contract must remain in operation during the solicitation, award, testing, and transition phases of the new contract. The new contract will be a multi-year (5 to 6 years) level of effort for a fully integrated and operational system. A request for proposal solicitation has been issued and is scheduled to close Tuesday, October 30, 2018. A new contract is expected to be awarded prior to expiration date of this requested sole source contract. In the interim, it is in the best interest of the District to continue ticket processing services under the current contract on a sole source basis.

5. FACTS THAT JUSTIFY THE SOLE SOURCE CONTRACT EXTENSION

The Office of Contracting and Procurement (OCP) has provided the Contractor written notice of the District's intent to extend the contract terms for a twelve (12) month period commencing January 3, 2019 through January 2, 2020.

In determining to exercise the option, the Contracting Officer considered the following:

- a) The requirement covered by the option fulfills an existing District need;
- b) Sufficient budget authority is available;

- c) The exercise of the option will be the most advantageous method of fulfilling the District's need, when price and other factors are considered; and
- d) The need for and importance to maintain continuity in the delivery of these critical services.

6. CERTIFICATION BY AGENCY HEAD:

I hereby certify that the above findings are true, correct and complete.

Date

Lucinda Babers
Director
Department of Motor Vehicles

7. CERTIFICATION BY CONTRACTING OFFICER:

I have reviewed the above findings and certify they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304 and no response was received. I recommend the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

Derrick White
Contracting Officer

DETERMINATION

Based on the above findings and in accordance with the cited authority, I hereby determine it is not feasible or practical to invoke the competitive solicitation process under either Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371 and D.C. Official Code § 2-354.04. Accordingly, I determine based on the authority on 27 DCMR 2005.2 (b), the District is justified in using the sole source method for this procurement. The justification to use sole source is in the best interest of the District.

Date

George A. Schutter III
Chief Procurement Officer
Office of Contracting and Procurement